



Paper No. 14

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OFFICE OF PETITIONS

In re Patent No. 6,044,462 :
Issue Date: March 28, 2000 :
Application No. 08/832,371 :
Filed: April 2, 1997 :
Attorney Docket No. 05275.913 :

ON PETITION

This is a decision on the petition, filed September 6, 2007, under 37 CFR 1.378(e), to accept the delayed payment of a maintenance fee for the above-identified patent.

The petition is **DENIED**¹.

BACKGROUND

The patent issued March 28, 2000. The first (3 1/2 year) maintenance fee was due March 28, 2004, and could have been paid from March 28, 2003 through September 28, 2003, or with a surcharge during the period from September 29, 2003 through March 28, 2004. Accordingly, the patent expired at midnight March 28, 2004, for failure to timely submit the first maintenance fee.

A first petition to accept the three and one-half year maintenance fee as unavoidably delayed under 37 CFR 1.378(b) was filed September 25, 2006, and was dismissed in the decision of July 6, 2007. Thus, the earliest the three and one-half year maintenance fee was on file at the USPTO was some 30 months after the end of the grace period.

A renewed petition under 37 CFR 1.378(e) was filed September 6, 2007. Petitioner requested reconsideration and provided additional evidence to support the contention that the delay was unavoidable.

STATUTE, REGULATION, AND EXAMINING PROCEDURE

35 U.S.C. § (2)(B)(2) provides, in part, that:

The Office-- may, establish regulations, not inconsistent with law, which

(A) shall govern for the conduct of proceedings in Office.

35 U.S.C. § 41(c)(1) provides that:

The Director may accept the payment of any maintenance fee required by subsection (b) of this section which is made within twenty-four months after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unintentional, or at any time after the six-month grace period if the delay is shown to the satisfaction of the Director to have been unavoidable. The Director may require the payment of a surcharge as a condition of accepting payment of any maintenance fee after the six-month grace period. If the Director accepts payment of a maintenance fee after the six-month grace period, the patent shall be considered as not having expired at the end of the grace period.

37 CFR 1.378(b) provides that:

(b) Any petition to accept an unavoidably delayed payment of a maintenance fee filed under paragraph (a) of this section must include:

(1) The required maintenance fee set forth in §1.20 (e) through (g);

(2) The surcharge set forth in §1.20(i)(1); and

(3) A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

37 CFR 1.378(c) provides that:

Any petition to accept an unintentionally delayed payment of a maintenance fee filed under paragraph (a) of this section must be filed within twenty-four months after the six-month grace period provided in §1.362(e) and must include:

(1) The required maintenance fee set forth in § 1.20 (e) (g);

(2) The surcharge set forth in §1.20(i)(2); and

(3) A statement that the delay in payment of the maintenance fee was unintentional.

OPINION

Petitioner requests reconsideration of the previous adverse decision on the petition filed under 37 CFR 1.378(b) and submits that as Arcanvs, then Perimeter Labs (Perimeter), despite their best, careful, and diligent efforts, were unable to maintain and preserve their assets, including their patent rights, the expiry of the instant patent is unavoidable.

Petitioner has not met his burden of proving to the satisfaction of the Director that the delay was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b).

A late maintenance fee is considered under the same standard as that for reviving an abandoned application under 35 U.S.C. § 133 because 35 U.S.C. § 41(c)(1) uses the identical language, i.e., "unavoidable" delay. Ray v. Lehman, 55 F.3d 606, 608 09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995)(quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)). Decisions on reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word unavoidable... is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present.

In re Mattullath, 38 App. D.C. 497, 514 15 (D.C. Cir. 1912) (quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32 33 (Comm'r Pat. 1887) see also Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141. In addition, decisions on revival are made on a "case by case basis, taking all the facts and circumstances into account. Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982).

35 U.S.C. § 41(c)(1) does not require an affirmative finding that the delay was avoidable, but only an explanation as to why the petitioner has failed to carry his or her burden to establish that the delay was unavoidable. Cf. Commissariat A. L'Energie Atomique v. Watson, 274 F.2d 594, 597, 124 USPQ 126, 128 (D.C. Cir. 1960)(35 U.S.C. § 133 does not require the Commissioner to affirmatively find that the delay was avoidable, but only to explain why the applicant's petition was unavailing). Petitioner is reminded that it is the patentee's burden under the statutes and regulations to make a showing to the satisfaction of the Commissioner that the delay in payment of a

maintenance fee is unavoidable. See Rydeen v. Quigg, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), aff'd 937 F.2d 623 (Fed. Cir. 1991)(table), cert. denied, 502 U.S. 1075 (1992); Ray v. Lehman, *supra*.

As 35 USC § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 USC § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible party to ensure the timely payment of the maintenance fee for this patent. Id.

As the patent holder at the time of expiration, it was incumbent on petitioner to have itself docketed this patent for payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to his most important business, or to have engaged another for that purpose. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Even where another has been relied upon to pay the maintenance fees, such asserted reliance per se does not provide a petitioner with a showing of unavoidable delay within the meaning of 37 CFR § 1.378(b) and 35 USC § 41(c). Id. Rather, such reliance merely shifts the focus of the inquiry from the petitioner to whether the obligated party acted reasonably and prudently. Id. Nevertheless, a petitioner is bound by any errors that may have been committed by the obligated party. Id.

The initial petition, filed September 25, 2006, indicates that the Canopy Group, Inc., (Canopy), owner of the defunct patent owner Perimeter, was unaware of the existence of the instant patent after December 2004.

The declaration of Darcy Mott, filed with the renewed petition, indicates that when mail received for Perimeter was received by Canopy that mail would be opened by an administrative assistant and then forwarded to the Controller of Canopy, Ms. Wiley, who would read it, and if an action was necessary to preserve the assets of Perimeter, would forward it to either Ralph Yarro (Chief Executive Office), Brent Christensen (General Counsel), or Darcy Mott for review and action. Darcy Mott indicates that Canopy never received notification that maintenance fees were due in the above-identified patent.

Unfortunately, the record does not show that either Perimeter nor Canopy had any steps in place to ensure payment of the maintenance fee at the time it fell due, rather, the record shows that: (1) Canopy relied upon notices from the USPTO to pay maintenance fees; (2) Perimeter was defunct; and (3) Canopy was unaware of the

patent. Petitioner failed to answer the factual inquiries set forth in the petition decision mailed July 6, 2007, *i.e.*, petitioner failed to indicate: (1) Why did Canopy knowing that the company it owned, Perimeter, was defunct fail to inquire into the assets of Perimeter; (2) Why was Canopy unavoidably prevented from inquiring into the status of Perimeter's assets, including the status of the instant patent; (3) Why was Canopy unavoidably prevented from ensuring timely payment of the instant patent; and (4) How is Canopy's failure to inquire into the assets of Perimeter and subsequent failure to docket the instant patent for payment of the maintenance fee due the actions of a prudent and careful person with respect to their most important business? Petitioner failed to provide statements from all with direct knowledge of the circumstances surrounding the delay, *i.e.*, Wiley, Ralph Yarro, and Brent Christensen. Additionally, no explanation of: a docketing and call up system in use, the types of records kept, nor any personnel responsible for such a system were provided by petitioner.

Accordingly, it follows that neither Perimeter nor Canopy had any means of tracking and paying the maintenance fee. However delay resulting from the failure of the patent holder to have any steps in place to pay the fee by either obligating a third party to track and pay the fee, or by itself assuming the obligation to track and pay the fee, is not unavoidable delay. See R.R. Donnelley & Sons Co. v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244, 1247 (N.D. Ill. 2000); Ray, supra; California, supra; Femspec v. Dudas, 2007 U.S. Dist. LEXIS 8482 (N.D.Ca 2007).

The record further does not support a finding of unavoidable delay, as petitioner has not shown adequate diligence in this matter. That is, a showing of diligence in matters before the USPTO on the part of the party in interest is essential to support a finding of unavoidable delay herein. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiries into the status of the application coupled with affirmative misrepresentations by its fiduciary as to its true status which prevented more timely action showed unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992) (even representation by counsel does not relieve the applicant from his obligation to exercise diligence before the USPTO; applicant's lack of diligence extending two and one half years overcame and superseded any omissions by his duly appointed representative); R.R. Donnelley & Sons v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244 (N.D. Ill. 2000)(failure of patent owner to itself track or obligate another to track the maintenance fee and its failure to exercise diligence for a period of seven years, precluded acceptance of the maintenance fee); MMTC v. Rogan, 369 F.Supp2d 675 (E.D. Va 2004)(passive reliance on reminder notice resulting in failure to take any steps to ensure payment of the maintenance fee is not unavoidable delay); Femspec v. Dudas, 2007 U.S. Dist. LEXIS 8482 (N.D.Ca 2007)(lack of any steps in place to maintain patent in force by estate executor unfamiliar with patent law is not unavoidable delay); Burandt. v. Dudas, supra (delay not unavoidable where no steps shown to be employed to remind responsible party to

timely pay maintenance fees, no inquiry by patent holder of responsible party or Patent and Trademark Office as to whether maintenance fees would, or already had been paid). The delay was not unavoidable, because had patent holder exercised the due care of a reasonably, e.g., by inquiring into the assets of Perimeter, petitioner would have been able to act to correct the situation in a more timely fashion. Haines v. Quigg, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987); Douglas, supra; Donnelley, supra; Burandt, supra

Moreover, upon issuance, the patent grant ordinarily includes a reminder notice that maintenance fees will be due by the day of the 4th, 8th, and 12th year anniversary of the grant of the patent. At the same time, the law is clear that maintenance fees are required to maintain in force all patents based on applications filed on or after December 12, 1980. See 35 U.S.C. 41(b). No further written notice is required for patentees to be aware of this obligation. Whether a maintenance fee reminder was ever received, it remained the ultimate responsibility of petitioner to ensure that the maintenance fee was paid and timely received to prevent expiration of the patent, irrespective of the status of Perimeter.

The issue at hand is solely whether the maintenance of the instant patent was actually conducted with the care or diligence that is generally used and observed by prudent and careful persons in relation to their most important business. Here, the delay was not unavoidable, because had petitioner exercised the due care of a reasonably prudent person, petitioner would have been able to act to correct the situation in a more timely fashion. See Haines v. Quigg, supra; Douglas v. Manbeck, supra (unavoidable delay not shown where no diligence for over 30 months); R.R. Donnelley & Sons v. Dickinson, supra (N.D. Ill. 2000)(a showing of diligence is essential to demonstrate unavoidable delay).

DECISION

Petitioner has failed to meet his burden of proving to the satisfaction of the Director the entire delay in submission of the maintenance fee herein was unavoidable within the meaning of 35 U.S.C. § 41(c)(1) and 37 CFR 1.378(b). Accordingly, the maintenance fee will not be accepted, this patent will not be reinstated, and this patent remains expired. The petition is **denied**.

The USPTO will not further consider or reconsider this matter. See 37 CFR 1.378(e).

The maintenance fee and surcharge will be refunded in due course by Treasury Check.

This patent file is being returned to the Files Repository.

Telephone inquiries concerning this decision should be directed to David A. Bucci at (571) 272-7099.

A handwritten signature in black ink, appearing to read "Charles Pearson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Charles Pearson
Director, Office of Petitions

¹ This decision may be viewed by petitioner as a final agency action within the meaning of 5 USC 704 for purposes of seeking judicial review. See MPEP 1002.02.